
State: District of Columbia **Filing Company:** Beazley Insurance Company, Inc.
TOI/Sub-TOI: H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity
Product Name: Group Limited Medical Insurance - Rider
Project Name/Number: /

Filing at a Glance

Company: Beazley Insurance Company, Inc.
Product Name: Group Limited Medical Insurance - Rider
State: District of Columbia
TOI: H14G Group Health - Hospital Indemnity
Sub-TOI: H14G.000 Health - Hospital Indemnity
Filing Type: Rate
Date Submitted: 02/10/2020
SERFF Tr Num: PERR-132255248
SERFF Status: Submitted to State
State Tr Num:
State Status:
Co Tr Num: BICI-GH-GLI-DC-2001R

Implementation: On Approval
Date Requested:
Author(s): Neresa Torres, Paula Rossman, Kathleen Risko, Mollie Mason, Stephanie Joe
Reviewer(s):
Disposition Date:
Disposition Status:
Implementation Date:

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General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Small and Large
Group Market Type: Employer, Association, Other Explanation for Other Group Market Type: Unions
Overall Rate Impact: Filing Status Changed: 02/10/2020
State Status Changed:
Deemer Date: Created By: Neresia Torres
Submitted By: Neresia Torres Corresponding Filing Tracking Number: PERR-132255249

Filing Description:

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items in this filing, we will forward the request immediately to the Company contact. We will submit the Company's response to your attention as soon as we receive it.

Company and Contact

Filing Contact Information

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Santa Monica, CA 90401

Filing Company Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Beazley Insurance Company, Inc.	CoCode: 37540	State of Domicile: Connecticut
30 Batterson Park Road	Group Code:	Company Type:
Farmington, CT 06032	Group Name:	State ID Number:
(860) 677-3707 ext. [Phone]	FEIN Number: 04-2656602	

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State:	District of Columbia	Filing Company:	Beazley Insurance Company, Inc.
TOI/Sub-TOI:	H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity		
Product Name:	Group Limited Medical Insurance - Rider		
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Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	03/29/2017
Filing Method of Last Filing:	Prior Approval
SERFF Tracking Number of Last Filing:	PERR-130889276

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Beazley Insurance Company, Inc.	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

SERFF Tracking #:

PERR-132255248

State Tracking #:

Company Tracking #:

BICI-GH-GLI-DC-2001R

State: District of Columbia

Filing Company:

Beazley Insurance Company, Inc.

TOI/Sub-TOI: H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity

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Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		Manual	AHGLIMC-AE-DC 122019 Ed., AHGLIMC-LSA-DC 122019 Ed., AHGLIMC-LSS-DC 122019 Ed., AHGLIMC-ADD-DC 122019 Ed., AHGLIMC-CONT-CW 122019 Ed., AHGLIMC-CI-DC 122019 Ed., AHGLIMC-OC-DC 122019 Ed., AHGLIMC-DI-DC 122019 Ed., AHGLIMA0101-DC 122019 Ed.	New		Beazley GLI Riders DC Exception Pages 20200210.pdf,

Beazley Insurance Company, Inc.

Group Limited Medical Indemnity:

Accident Expense Benefit Rider

Accident Lump Sum Benefit Rider

Accident Lump Sum Select Benefit Rider

Accidental Death & Dismemberment Rider

Continuation of Coverage Rider

Critical Illness Benefit Rider

Outpatient Cancer Treatment Benefit Rider

Total Disability Benefit Rider

Manual Rate

Exception Pages

February 2020

District of Columbia

Riders AHGLIMC-AE-DC 122019 Ed., AHGLIMC-LSA-DC 122019 Ed.,
AHGLIMC-LSS-DC 122019 Ed., AHGLIMC-ADD-DC 122019 Ed.,
AHGLIMC-CONT-CW 122019 Ed., AHGLIMC-CI-DC 122019 Ed., AHGLIMC-OC-DC 122019 Ed.,
AHGLIMC-DI-DC 122019 Ed.

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Section I - Introduction

“Section I – Introduction” of Beazley Insurance Company’s Countrywide Pricing Manual has been updated with the following:

Beazley Insurance Company, Inc’s Group Limited Medical Indemnity premiums are developed based on plan design. This manual will allow an underwriter to quote a premium for a fully insured Group Limited Medical Indemnity product.

The premium rate quote can be provided for either a three or four tier per employee per month basis. Premium rates are developed for two age bands (based on primary insured’s age): ages 18 to 49 and ages 50 and older.

Premium Rate Quote =

$$\begin{aligned} & \sum (\text{Benefit Claim Costs}) \times \text{Benefit Adjustments (where applicable)} \\ & \times \text{Organized Sports Adjustment (applies to Accident Expense Benefit Rider only)} \\ & \times \text{Benefit Waiting Period Adjustment} \\ & \times \text{Pre-Existing Conditions Adjustment} \\ & \times \text{Group Size Factor} \\ & \times \text{Employer Subsidy Factor} \\ & \times \text{Multiple Product Discount Factor} \\ & \times \text{Rate Guarantee Factor} \\ & \times \text{Underwriting Adjustment} \\ & \div \text{Target Loss Ratio} \\ & \times \text{Employee Conversion Factor} \\ & \times \text{Tier Factor} \\ & \div 12 \text{ for Monthly Basis Only} \end{aligned}$$

If selected, a separate premium quote for the wellness benefit will be calculated.

If census information is not available from the group, the following census distribution will be assumed when generating composite quotes.

Assumed Distribution of Employees

	Distribution
Under 50	73.82%
50 +	26.18%

Section III – Additional Benefits

The following benefits are added to “Section III – Additional Benefits” of Beazley Insurance Company’s Countrywide Pricing Manual:

Accident Expense Benefit Rider

(1) Urgent Care Treatment Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
1.15929	0.90254

(2) Observation Unit Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.05471	0.04259

(3) Hospital Confinement Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
5	1.29624	2.58950
10	1.50393	3.00441
20	1.58380	3.16396
30	1.60442	3.20516
60	1.62603	3.24832
120	1.63503	3.26630
365	1.63667	3.26957

(4) Hospital Admission Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.35448	0.62876

(5) Hospital Intensive Care Unit Confinement Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
5	0.17230	0.14474
10	0.19991	0.16793
20	0.21052	0.17685
30	0.21327	0.17915
60	0.21614	0.18156

(6) Hospital Intensive Care Unit Admission Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.03462	0.02510

(7) Rehabilitation Facility Confinement Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.04292	0.08566

(8) Dislocation Benefit

Adjusted Claim Cost = CC x \sum (AF x Benefit Amount) / \$100 x PDA

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Type	Under 50	50 +
Closed	0.09449	0.06217
Open	0.00156	0.00149

Adjustment Factors (AF)

Dislocation Type	Closed Reduction Weight	Open Reduction Weight
Ankle - Bone or Bones of the Foot	0.04820	0.01264
Bone or Bones of the Hand	0.16075	0.04179
Collarbone (acromioclavicular and separation)	0.16065	0.00006

Dislocation Type	<u>Closed Reduction Weight</u>	<u>Open Reduction Weight</u>
Collarbone (sternoclavicular)	0.00268	0.00003
Elbow	0.07420	0.94033
Hip	0.03232	0.00006
Knee (except patella)	0.16391	0.00111
Lower Jaw	0.00001	0.00134
Shoulder (glenohumeral)	0.34050	0.00017
Wrist	0.01678	0.00247

Partial Dislocation Adjustment (PDA)

% of Benefit	Closed	Open
Not Covered	1.00000	1.000000
10%	1.00017	1.000006
20%	1.00035	1.000012
30%	1.00052	1.000018
40%	1.00069	1.000023
50%	1.00087	1.000029

(9) Fracture Benefit

Adjusted Claim Cost = CC x \sum (AF x Benefit Amount) / \$100 x CFA

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Type	Under 50	50 +
Closed	0.80582	0.87365
Open	0.05734	0.04962

Adjustment Factors (AF)

Bone Type	<u>Closed Adjustment Factor</u>	<u>Open Adjustment Factor</u>
Ankle	0.07540	0.05795
Bones of Face or Nose (except Mandible or Maxilla)	0.07148	0.05626
Coccyx	0.00908	0.00146
Foot	0.09264	0.09314
Forearm, Hand, Wrist	0.28597	0.49807
Hip, Thigh (Femur)	0.07761	0.03661
Kneecap (patella)	0.00944	0.01090
Leg	0.03573	0.07538
Lower Jaw – Mandible (except Alveolar process)	0.01147	0.03764
Pelvis (includes Ilium, Ischium, Pubis, Acetabulum except Coccyx)	0.03002	0.01196
Rib	0.07771	0.03157
Shoulder blade or Collarbone (Scapula, Clavicle, Sternum)	0.04775	0.00879

Bone Type	<u>Closed Adjustment Factor</u>	<u>Open Adjustment Factor</u>
Skull – depressed fracture (except bones of face and nose)	0.00043	0.00001
Skull – non-depressed fracture (except bones of face and nose)	0.02314	0.03178
Upper Arm between Elbow and Shoulder	0.07021	0.02999
Upper Jaw – Maxilla (except Alveolar process)	0.01093	0.00832
Vertebrae, Body of (excluding Vertebral processes)	0.06978	0.01016
Vertebral Processes	0.00121	0.00001

Chip Fracture Adjustment (CFA)

% of Benefit	Closed	Open
Not Covered	1.0000000	n/a
10%	1.0000001	n/a
20%	1.0000002	n/a
30%	1.0000003	n/a
40%	1.0000005	n/a
50%	1.0000006	n/a

(10) Laceration Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Laceration Type	Under 50	50 +
Repaired without stitches, sutures or staples	0.05084	0.03587
Repaired with stitches, sutures or staples: < 3 inches total	2.12891	1.50183
Repaired with stitches, sutures or staples: 3-5 inches total	0.15080	0.10638
Repaired with stitches, sutures or staples: > 5 inches total	0.02138	0.01508

(11) Concussion Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.25362	0.14769

(12) Traumatic Brain Injury Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.08454	0.04923

(13) Surgery Benefit

Adjusted Claim Cost = CC x \sum (AF x Benefit Amount) / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.06378	0.13481

Adjustment Factors (AF)

<u>Surgery Type</u>	<u>Adjustment Factors</u>
Cranial Surgery	0.13868
Exploratory Surgery without repair	0.00649
Hernia Surgery	0.08439
Open Abdominal & Thoracic Surgery	0.40013
Rotator Cuff Surgery	0.00472
Ruptured Disc Benefit Amount	0.10091
Tendon/Ligament Surgery	0.26084
Torn Knee Cartilage Surgery	0.00384

(14) Burns and Skin Graft Benefit

Adjusted Claim Cost = CC x \sum (AF x Benefit Amount) / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Benefit	Under 50	50 +
Burn	0.01607	0.01480
Skin Graft	0.00893	0.00822

Adjustment Factors (AF)

<u>% of Body Covered</u>	<u>2nd Degree Adjustment Factor</u>	<u>3rd Degree Adjustment Factor</u>
1-9.9%	0.37671	0.33904
10-19.9%	0.08795	0.07915
20-29.9%	0.02759	0.02483
30-39.9%	0.01287	0.01159
40-49.9%	0.00709	0.00638

<u>% of Body Covered</u>	<u>2nd Degree Adjustment Factor</u>	<u>3rd Degree Adjustment Factor</u>
50-59.9%	0.00447	0.00402
60-69.9%	0.00324	0.00291
70-79.9%	0.00213	0.00192
80-89.9%	0.00197	0.00177
>90%	0.00230	0.00207

(15) Emergency Dental Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.00302	0.00227

(16) Eye Injury Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.00942	0.01578

(17) Blood, Plasma and Platelets Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.11435	0.07634

(18) Pain Management Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
7.16927	9.64401

(19) Medical Imaging Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Imaging Type	Under 50	50 +
X-Ray	3.97542	3.90885
Major Diagnostic Imaging	2.85856	2.98796

(20) Medical Appliance Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
0.91810	1.93759

(21) Medical Expense Benefit

Adjusted Claim Cost = CC

Age Banded Annual Claim Costs by Benefit Maximum (CC)

Maximum	Under 50	50 +
\$250	21.13394	49.57772
\$500	39.07102	91.65596
\$750	53.01022	124.35567
\$1,000	64.90711	152.26435
\$2,000	99.80584	234.13263
\$2,500	112.28809	263.41450
\$5,000	151.27242	354.86710

(22) Medical Supplies Benefit

Adjusted Claim Cost = CC

Age Banded Annual Claim Costs by Benefit Maximum (CC)

Benefit Maximum	Under 50	50 +
\$2	0.04918	0.03829
\$5	0.12295	0.09572
\$10	0.24590	0.19144
\$15	0.36885	0.28716
\$20	0.49180	0.38288
\$25	0.61476	0.47861

(23) Follow Up Treatment Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
1	1.55827	1.12133
2	1.97233	1.41929
3	2.18756	1.57416
4	2.31021	1.66242
5	2.38291	1.71473

(24) Outpatient Therapy Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
5	0.31600	0.54755
6	0.33249	0.57613
7	0.34559	0.59883
8	0.35717	0.61889
9	0.36694	0.63583
10	0.37506	0.64990
20	0.41834	0.72489
30	0.43268	0.74973

(25) Prescription Drug Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
1	1.94905	0.91337
2	2.55477	1.42029
3	2.91136	1.76280
4	3.11652	2.01398
5	3.25818	2.20426

(26) Lodging Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
1	0.12621	0.25923
2	0.23033	0.47309
3	0.29935	0.61486
4	0.33208	0.68210
5	0.35022	0.71936
10	0.38359	0.78789
20	0.39073	0.80255
30	0.39199	0.80515

(27) Transportation Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
1	0.15751	0.35448
2	0.28745	0.64692
3	0.37359	0.84077
4	0.41444	0.93272
5	0.43708	0.98367
6	0.45234	1.01801

(28) Prosthetic Device Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$1,000

Age Banded Annual Claim Costs per \$1,000 Benefit (CC)

Under 50	50 +
0.00958	0.02854

(29) Family Child Care Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
5	0.05662	0.00269
10	0.06202	0.00295

Days Maximum	Under 50	50 +
20	0.06317	0.00300
30	0.06338	0.00301
60	0.06361	0.00302

(30) Residence/Vehicle Modification Benefit

Adjusted Claim Cost = CC

Age Banded Annual Claim Costs (CC)

Benefit Maximum	Under 50	50 +
\$500	0.02301	0.06581
\$1,000	0.04601	0.13161
\$1,500	0.06902	0.19742
\$2,500	0.11503	0.32903
\$5,000	0.23005	0.65805
\$15,000	0.69016	1.97415

Accident Lump Sum Benefit Rider

(31) Accident Lump Sum Benefit

Adjusted Claim Cost = CC x \sum (AF x Benefit Amount) / \$100 x MAF x CF

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Under 50	50 +
7.03065	5.67462

Adjustment Factors (AF)

Facility	Under 50 Adjustment Factors	50 + Adjustment Factors
Confinement in a Hospital Intensive Care Unit	0.00492	0.00442
Confinement in a Hospital	0.05042	0.11080
Treatment in an Emergency Room	0.41804	0.40323
Treatment in a Physician's Office or Urgent Care Facility	0.52662	0.48155

Maximum Accidents Factor (MAF)

Maximum Accidents	Factor
1	0.783
2	0.916
3	0.960
4	0.980
5	0.990
6	0.995

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

Accident Lump Sum Select Benefit Rider

(32) Accident Lump Sum Select Benefit

Adjusted Claim Cost = CC x MAF x CF

Age Banded Annual Claim Costs by Benefit Maximum (CC)

Benefit Maximum	Under 50	50 +
\$300	25.24564	59.22328
\$500	39.10284	91.73061
\$1,000	64.95997	152.38835
\$2,500	112.37954	263.62903
\$5,000	151.39561	355.15611
\$10,000	189.26509	443.99340
\$15,000	212.29498	498.01877
\$20,000	225.18342	528.25352

Maximum Accidents Factor (MAF)

Maximum Accidents	Factor
1	0.783
2	0.916
3	0.960
4	0.980
5	0.990
6	0.995

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

Accidental Death & Dismemberment Rider

(33) Accidental Death and Dismemberment Benefit

Adjusted Claim Cost = $CC \times \sum (AF \times \text{Benefit Amount}) / \$1,000 \times CF$

Age Banded Annual Claim Costs per \$1,000 Benefit (CC)

Under 50	50 +
0.22088	0.32529

Adjustment Factors (AF)

<u>Coverage Type</u>	<u>Adjustment Factors</u>
Brain Death	0.19234
Coma	0.15739
Hemiplegia	0.08430
Loss of All Four Fingers of the Same Hand	0.00001
Loss of All the Toes of the Same Foot	0.00001
Loss of Both Hands or Both Feet	0.00001
Loss of Hearing in Both Ears	0.00155
Loss of Hearing in One Ear	0.03821
Loss of Life	0.43214
Loss of One Arm or One Leg	0.00001
Loss of One Finger or One Toe	0.00001
Loss of One Hand or Foot	0.00001
Loss of One Hand or Foot AND Sight in One Eye	0.00001
Loss of Sight in One Eye	0.00665
Loss of Sight of Both Eyes	0.00804
Loss of Speech	0.00631
Loss of Speech and Hearing (in Both Ears)	0.00001
Loss of Thumb	0.00001
Loss of Thumb and Index Finger of the Same Hand	0.00001
Loss of Two Fingers or Toes (any combination)	0.00155
Loss of Use of Both Hands or Both Feet	0.02738
Loss of Use of One Hand or Foot	0.00001
Paraplegia	0.02522
Quadriplegia	0.01879
Severance and Reattachment of One Hand or Foot	0.00001
Uniplegia	0.00001

Coverage Factor (CF)

<u>Coverage Type</u>	<u>Factor</u>
24-Hour	1.000
Non-Occupational	0.772

(34) Common Carrier Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$1,000 x CF

Age Banded Annual Claim Costs per \$1,000 Benefit (CC)

Coverage	Claim Cost
Accidental Death Only	0.00011
Accidental Dismemberment Only	0.01325
Accidental Death and Dismemberment	0.01336

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

(35) Seat Belt/Helmet Benefit

Adjusted Claim Cost = (CCS x Benefit Amount for Surviving Child Educational Benefit) + (CCD x Benefit Amount for Default Survivor Benefit) / \$1,000 x CF

Age Banded Annual Claim Costs per \$1,000 Benefit – Seatbelt/Helmet Benefit (CCS)

Under 50	50 +
0.00492	0.00508

Age Banded Annual Claim Costs per \$1,000 Benefit – Default Seatbelt/Helmet Benefit (CCD)

Under 50	50 +
0.00123	0.00127

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

(36) Transportation of Remains Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$1,000 x CF

Age Banded Annual Claim Costs per \$1,000 Benefit (CC)

All
0.00040

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

(37) Career Enrichment Benefit

Adjusted Claim Cost = (CCC x Benefit Amount for Career Enrichment Benefit) + (CCD x Benefit Amount for Default Survivor Benefit) / \$1,000 x CF

Age Banded Annual Claim Costs per \$1,000 Benefit – Career Enrichment Benefit (CCC)

Under 50	50 +
0.14950	0.14634

Age Banded Annual Claim Costs per \$1,000 Benefit – Default Survivor Benefit (CCD)

Under 50	50 +
0.08201	0.08028

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

(38) Licensed Day Care Benefit

Adjusted Claim Cost = (CCL x Benefit Amount for Licensed Day Care Benefit) + (CCD x Benefit Amount for Default Survivor Benefit) / \$1,000 x CF

Age Banded Annual Claim Costs per \$1,000 Benefit – Licensed Day Care Benefit (CCL)

Under 50	50 +
0.02268	0.00046

Age Banded Annual Claim Costs per \$1,000 Benefit – Default Survivor Benefit (CCD)

Under 50	50 +
0.14732	0.16321

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

(39) Surviving Child Educational Benefit

Adjusted Claim Cost = (CCS x Benefit Amount for Surviving Child Educational Benefit) + (CCD x Benefit Amount for Default Survivor Benefit) / \$1,000 x CF

Age Banded Annual Claim Costs per \$1,000 Benefit – Surviving Child Educational Benefit (CCS)

Under 50	50 +
0.02989	0.00187

Age Banded Annual Claim Costs per \$1,000 Benefit – Default Survivor Benefit (CCD)

Under 50	50 +
0.16714	0.16361

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

Critical Illness Benefit Rider

(40) Critical Illness Benefit

$$\text{Adjusted Claim Cost} = \sum(\text{CC} \times \text{Benefit Amount}) / \$1,000$$

Age Banded Annual Claim Costs per \$1,000 Benefit (CC)

Covered Critical Illness	Under 50	50 +
Coma	0.04663	0.11873
Heart Attack	0.33268	1.69392
Invasive Cancer	0.88600	5.37863
Loss of Sight	0.07055	0.21595
Major Organ Transplant	0.02607	0.09135
Paralysis	0.47292	1.30595
Renal Failure	0.08844	0.38406
Severe Burns	0.03448	0.05761
Stroke	0.32314	2.73460

(41) Additional Occurrence Benefit

$$\text{Adjusted Claim Cost} = \sum(\text{CC} \times \text{Benefit Amount}) / \$1,000$$

Age Banded Annual Claim Costs per \$1,000 Benefit (CC)

Covered Critical Illness	Under 50	50 +
Coma	0.00001	0.00001
Heart Attack	0.00001	0.03000
Invasive Cancer	0.00001	0.09000
Loss of Sight	0.00001	0.01000
Major Organ Transplant	0.00001	0.00001
Paralysis	0.00001	0.03000
Renal Failure	0.00001	0.01000
Severe Burns	0.00001	0.00001
Stroke	0.00001	0.05000

Outpatient Cancer Treatment Benefit Rider

(42) Outpatient Cancer Treatment Benefit

Adjusted Claim Cost = CC x Benefit Amount / \$100

Age Banded Annual Claim Costs per \$100 Benefit (CC)

Days Maximum	Under 50	50 +
1	0.39829	0.77670
2	0.73969	1.39159
3	0.99573	1.94175
4	1.22333	2.45955
5	1.42248	2.97735
6	1.62162	3.46278
7	1.82077	3.81877
8	1.99147	4.17476
9	2.16216	4.49838
10	2.30441	4.78964

Total Disability Benefit Rider

(43) Total Disability Benefit

Adjusted Claim Cost = (CCA + CCS) x Monthly Benefit Amount x CF x MEF

Or

Adjusted Claim Cost = (CCA + CCS) x Weekly Benefit Amount x CF x WEF

Age Banded Annual Claim Costs per \$1 Monthly Benefit – Accident (CCA)

Age Band	Elimination Period /Benefit Period	Claim Cost
< 50	0 days/3 months	0.08758
< 50	0 days/6 months	0.11475
< 50	0 days/9 months	0.12820
< 50	0 days/12 months	0.13769
< 50	7 days/3 months	0.06485
< 50	7 days/6 months	0.08466
< 50	7 days/9 months	0.09437
< 50	7 days/12 months	0.10119
< 50	14 days/3 months	0.03483
< 50	14 days/6 months	0.04516
< 50	14 days/9 months	0.05016
< 50	14 days/12 months	0.05365
50 +	0 days/3 months	0.14089
50 +	0 days/6 months	0.21862
50 +	0 days/9 months	0.27532
50 +	0 days/12 months	0.32490
50 +	7 days/3 months	0.07200
50 +	7 days/6 months	0.11092
50 +	7 days/9 months	0.13893
50 +	7 days/12 months	0.16327
50 +	14 days/3 months	0.04181
50 +	14 days/6 months	0.06452
50 +	14 days/9 months	0.08092
50 +	14 days/12 months	0.09520

Age Banded Annual Claim Costs per \$1 Monthly Benefit – Sickness (CCS)

Age Band	Elimination Period /Benefit Period	Claim Cost
< 50	7 days/3 months	0.17617
< 50	7 days/6 months	0.22310
< 50	7 days/9 months	0.24452
< 50	7 days/12 months	0.25911
< 50	14 days/3 months	0.11690
< 50	14 days/6 months	0.14774
< 50	14 days/9 months	0.16187
< 50	14 days/12 months	0.17150

Age Band	Elimination Period /Benefit Period	Claim Cost
50 +	7 days/3 months	0.23389
50 +	7 days/6 months	0.35607
50 +	7 days/9 months	0.44268
50 +	7 days/12 months	0.51744
50 +	14 days/3 months	0.17682
50 +	14 days/6 months	0.27002
50 +	14 days/9 months	0.33650
50 +	14 days/12 months	0.39404

Coverage Factor (CF)

Coverage Type	Factor
24-Hour	1.000
Non-Occupational	0.772

Monthly Earnings Factor (MEF)

% of Monthly Earnings	Minimum Monthly Benefit						
	\$25	\$50	\$100	\$200	\$300	\$400	\$500
20%	0.2000	0.2002	0.2006	0.2025	0.2058	0.2108	0.2179
30%	0.3000	0.3001	0.3004	0.3017	0.3037	0.3067	0.3108
40%	0.4000	0.4000	0.4003	0.4012	0.4028	0.4049	0.4079
50%	0.5000	0.5000	0.5003	0.5010	0.5022	0.5040	0.5062
60%	0.6000	0.6000	0.6002	0.6008	0.6018	0.6033	0.6051
66.7%	0.6667	0.6667	0.6668	0.6674	0.6684	0.6697	0.6713
70%	0.7000	0.7000	0.7001	0.7007	0.7016	0.7028	0.7044
80%	0.8000	0.8000	0.8001	0.8006	0.8014	0.8024	0.8039

Weekly Earnings Factor (WEF)

% of Weekly Earnings	Minimum Weekly Benefit						
	\$25	\$50	\$100	\$200	\$300	\$400	\$500
20%	0.8602	0.8697	0.9124	1.1161	1.4341	1.8175	2.2719
30%	1.2878	1.2939	1.3199	1.4460	1.6741	1.9794	2.3328
40%	1.7158	1.7204	1.7394	1.8249	1.9927	2.2321	2.5303
50%	2.1442	2.1479	2.1626	2.2266	2.3519	2.5439	2.7901
60%	2.5725	2.5756	2.5879	2.6398	2.7373	2.8920	3.0984
66.7%	2.8580	2.8607	2.8722	2.9179	3.0029	3.1358	3.3211
70%	3.0008	3.0033	3.0144	3.0579	3.1371	3.2630	3.4367
80%	3.4292	3.4317	3.4409	3.4788	3.5456	3.6497	3.7973

Section IV – Benefit Adjustments

The following adjustment is added to “Section IV – Benefit Adjustments” of Beazley Insurance Company’s Countrywide Pricing Manual:

(44) Organized Sports Benefit (applies to Accident Expense Benefit Rider only)

Organized Sports Adjustment Factor

Additional Benefit	Factor
10%	1.18082
20%	1.36164
30%	1.54246
40%	1.72328
50%	1.90410
60%	2.08492
70%	2.26574
80%	2.44656
90%	2.62738
100%	2.80820

(45) Continuation of Coverage Rider

Continuation of Coverage Factor

Continuation of Coverage Period	Factor
Not Covered	1.0000
6 Months	1.0150
12 Months	1.0250
18 Months	1.0375
24 Months	1.0500

State:	District of Columbia	Filing Company:	Beazley Insurance Company, Inc.
TOI/Sub-TOI:	H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity		
Product Name:	Group Limited Medical Insurance - Rider		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Cover Letter
Comments:	See General Information Filing Description.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Certificate of Authority to File
Comments:	
Attachment(s):	P&K Authorization Letter_Signed_20190418.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Beazley GLI Riders DC Actuarial Memorandum 20200210.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Justification
Comments:	Acknowledged; please see "Actuarial Memorandum" component.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

State:	District of Columbia	Filing Company:	Beazley Insurance Company, Inc.
TOI/Sub-TOI:	H14G Group Health - Hospital Indemnity/H14G.000 Health - Hospital Indemnity		
Product Name:	Group Limited Medical Insurance - Rider		
Project Name/Number:	/		

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

April 18, 2019

To Whom It May Concern:

Perr&Knight, Inc. is hereby authorized to submit rate, rule, and form filings on behalf of Beazley Insurance Company, Inc. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary.

Beazley Group

8500 Normandale Lake Blvd
Suite 955
Bloomington, MN 55437
USA

Phone (952) 656 7171
Fax (952) 656 7210

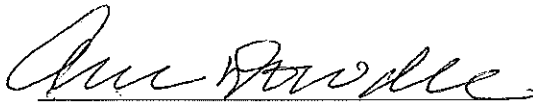
info@beazley.com
www.beazley.com

Please direct all correspondences and inquiries related to this filing to Perr&Knight, Inc. at the following address:

State Filings Department
Perr&Knight, Inc.
401 Wilshire Blvd, Suite 300
Santa Monica, CA 90401
Tel: (888) 201-5123
Fax: (310) 230-1061
doi@perrknight.com

Please contact me at (952) 656-7172 if you have questions regarding this authorization.

Sincerely,



Anne W. Dowdle
US A&H Head of Office, Minneapolis
Beazley Group
Direct tel: (952) 656-7172
Email: anne.dowdle@beazley.com

beazley

Beazley Insurance Company, Inc.
Actuarial Memorandum
Group Limited Indemnity Policy:
Accident Expense Benefit Rider (Rider AHGLIMC-AE-DC 122019 Ed.)
Accident Lump Sum Benefit Rider (Rider AHGLIMC-LSA-DC 122019 Ed.)
Accident Lump Sum Select Benefit Rider (Rider AHGLIMC-LSS-DC 122019 Ed.)
Accidental Death and Dismemberment Benefit Rider (Rider AHGLIMC-ADD-DC 122019 Ed.)
Continuation of Coverage Rider (Rider AHGLIMC-CONT-CW 122019 Ed.)
Critical Illness Benefit Rider (Rider AHGLIMC-CI-DC 122019 Ed.)
Outpatient Cancer Treatment Benefit Rider (Rider AHGLIMC-OC-DC 122019 Ed.)
Total Disability Benefit Rider (Rider AHGLIMC-DI-DC 122019 Ed.)
February 2020
District of Columbia

1. Purpose of Filing

This actuarial memorandum has been created for the purpose of demonstrating that the anticipated loss ratio standard of the Accident Expense Benefit Rider, Accident Lump Sum Benefit Rider, Accident Lump Sum Select Benefit Rider, Accidental Death and Dismemberment Benefit Rider, Continuation of Coverage Rider, Critical Illness Benefit Rider, Outpatient Cancer Benefit Rider and Total Disability Benefit Rider for the Group Limited Indemnity Policy, meets the minimum requirements of your state. This memorandum is not intended to be used for other purposes.

2. Description of Benefits

Accident Expense Benefit Rider:

Urgent Care Treatment Benefit:

The Urgent Care Treatment benefit pays a fixed dollar amount if an insured requires examination and treatment by a physician in an urgent care facility as the result of an injury. Benefit amounts may vary from \$10 to \$5,000 per insured.

Observation Unit Benefit:

The Observation Unit benefit pays a fixed dollar amount if an insured is confined to an observation unit as the result of an injury. Benefit amounts may vary from \$250 to \$500 per insured.

Hospital Confinement Benefit:

The Hospital Confinement benefit pays a fixed dollar amount per day if an insured is confined and receiving treatment in a hospital due to injury. Benefit amounts may vary from \$50 to \$5,000 per insured per day and may be payable from 5 to 365 days per accident.

Hospital Admission Benefit:

The Hospital Admission benefit pays a fixed dollar amount if an insured is admitted and confined to a hospital for inpatient treatment as the result of an injury. Benefit amounts may vary from \$100 to \$10,000 per insured.

Intensive Care Unit Confinement Benefit:

The Intensive Care Unit Confinement benefit pays a fixed dollar amount per day if an insured is confined and receiving treatment in a hospital intensive care unit due to an injury. Benefit amounts may vary from \$50 to \$10,000 per insured per day and may be payable from 5 to 60 days per accident.

Intensive Care Unit Admission Benefit:

The Intensive Care Unit Admission benefit pays a fixed dollar amount if an insured is admitted and confined to a hospital intensive care unit for treatment as the result of an injury. Benefit amounts may vary from \$100 to \$10,000 per insured.

Rehabilitation Facility Confinement Services:

The Rehabilitation Facility Confinement benefit pays a fixed dollar amount per day if an insured is confined to a rehabilitation facility for inpatient treatment as the result of an injury. Benefit amounts may vary from \$25 to \$5,000 per insured.

Dislocation Benefit:

The Dislocation benefit pays a fixed dollar amount to a covered insured who sustains an injury that is a dislocation of any of the following joints which requires treatment by open or closed reduction. Benefit amounts may vary from \$25 to \$50,000. Partial dislocations may also be covered and pay 10% to 50% of the applicable benefit for the joint involved.

Joint
Ankle - Bone or Bones of the Foot (other than toes)
Bone or Bones of the Hand (other than fingers)
Collarbone (acromioclavicular and separation)

Joint
Collarbone (sternoclavicular)
Elbow
Hip
Knee (except patella)
Lower Jaw
One Toe or Finger
Shoulder (glenohumeral)
Wrist

Fracture Benefit:

The Fracture benefit pays a fixed dollar amount to a covered insured who sustains an injury that is a fracture of any of the following bones which requires treatment by open or closed reduction. Benefit amounts may vary from \$25 to \$50,000. Chip fractures may also be covered and pay 10% to 50% of the applicable benefit for the bone involved.

Bone
Ankle
Bones of Face or Nose (except mandible or maxilla)
Coccyx
Foot
Forearm, Hand, Wrist
Hip, Thigh (femur)
Kneecap (patella)
Leg
Lower Jaw – Mandible (except alveolar process)
Pelvis (includes ilium, ischium, pubis, acetabulum except coccyx)
Rib
Shoulder Blade or Collarbone (scapula, clavicle, sternum)
Skull – depressed fracture (except bones of face and nose)
Skull – non-depressed fracture (except bones of face and nose)
Upper Arm between Elbow and Shoulder (humerus)
Upper Jaw – Maxilla (except alveolar process)
Vertebrae, Body of (excluding vertebral processes)
Vertebral Processes

Laceration Benefit:

The Laceration benefit pays a fixed dollar amount if an insured suffers a Laceration as the result of an injury. The benefit paid is dependent on whether or not the laceration is

closed by stitches, sutures or staples and/or the total length of all lacerations. The benefit amounts may vary from \$10 to \$50,000.

Concussion Benefit:

The Concussion benefit pays a fixed dollar amount if an insured sustains a concussion as the result of an accident. Benefit amounts may vary from \$10 to \$25,000 per insured.

Traumatic Brain injury Benefit:

The Traumatic Brain injury benefit pays a fixed dollar amount if an insured sustains a traumatic brain injury as the result of an accident. The traumatic brain injury must be diagnosed by computed tomography (CT) scan, magnetic resonance imaging (MRI), electroencephalogram (EEG), positron emission tomography (PET) scan or x-ray. Benefit amounts may vary from \$300 to \$2,500 per insured.

Surgery Benefit:

The Surgery benefit pays a fixed dollar amount if an insured undergoes surgery as the result of an injury. Benefit amounts may vary from \$50 to \$10,000 per insured.

Surgery
Cranial Surgery
Exploratory Surgery without Repair
Hernia Surgery
Open Abdominal & Thoracic Surgery
Rotator Cuff Surgery
Ruptured Disc Benefit Amount
Tendon/Ligament Surgery
Torn Knee Cartilage

Burns and Skin Graft Benefit:

The Burns and Skin Graft benefit pays a fixed dollar amount if an insured is treated by a physician for burns received as a result of an accident and which cause disfigurement. Benefit amounts are based on the percentage of the body's skin surface that is affected and the degree of the burn and may vary from \$25 to \$100,000. An additional benefit of 10% to 100% of the burn benefit may be payable if an insured receives a skin graft for a burn as the result of an injury.

Emergency Dental Benefit:

The Emergency Dental benefit pays a fixed dollar amount if an insured requires emergency dental treatment as the result of an injury to a natural tooth. Benefit amounts depend on the type of treatment needed and may vary from \$10 to \$5,000 per insured.

Eye Injury Benefit:

The Eye Injury benefit pays a fixed dollar amount to a covered insured who sustains an injury to an eye which must require surgery or removal of a foreign object. Benefit if an insured suffers an eye injury. The eye injury must require surgery or the removal of a foreign object by a physician. amounts may vary from \$10 to \$1,000 per insured.

Organized Sports Benefit:

The Organized Sports benefit pays an additional benefit of 10% to 25% of the benefit amount payable if an injury occurs while the insured is participating in an organized sport.

Blood, Plasma and Platelets Benefit:

The Blood, Plasma and Platelets benefit pays a fixed dollar amount if an insured receives a blood, blood plasma or platelets transfusion as the result of an injury. Benefit amounts may vary from \$25 to \$2,500 per insured.

Pain Management Benefit:

The Pain Management benefit pays a fixed dollar amount if an insured receives epidural anesthesia or cortisone injections to treat pain as the result of an injury. Benefit amounts may vary from \$10 to \$500 per insured per day.

Medical Imaging Benefit:

The Medical Imaging benefit pays a fixed dollar amount if an insured incurs charges for and undergoes outpatient medical imaging tests due to an injury. Benefit amounts may vary from \$10 to \$1,000 for x-rays or from \$10 to \$10,000 for major diagnostic imaging per insured.

Medical Appliance Benefit:

The Medical Appliance benefit pays a fixed benefit if a physician prescribes a medical appliance as an aid in personal mobility as the result of an injury. Covered medical appliances are: crutches; wheelchair; leg brace; walking boot; back brace; knee scooter; and walker. Benefit amounts may vary from \$10 to \$2,500 per insured.

Medical Expense Benefit:

The Medical Expense benefit pays eligible expenses, subject to the maximum benefit amount per insured, if a physician prescribes medical services to diagnose or treat an injury.

Medical Supplies Benefit:

The Medical Supplies benefit pays eligible expenses, subject to the maximum benefit amount per insured, when an insured incurs expenses for over-the-counter medical supplies purchased to treat an injury.

Follow Up Treatment Benefit:

The Follow Up Treatment benefit pays a fixed dollar amount when an insured incurs charges for and requires services rendered by a physician in the physician's office, in a hospital or on an outpatient basis as the result of an injury. Benefit amounts may vary from \$10 to \$250 per insured per day. The maximum number of days covered may vary from 1 to 5 days per accident.

Outpatient Therapy Services Benefit:

The Outpatient Therapy Services benefit pays a fixed dollar amount if an insured receives occupational therapy, physical therapy or speech therapy as the result of an injury. All services must be prescribed by a physician and provided by an occupational therapist, physical therapist, or speech therapist practicing within the scope of his or her license. Benefit amounts may vary from \$50 to \$100 per insured per day. The maximum number of days covered may vary from 1 to 5 days per accident.

Prescription Drug Benefit:

The Prescription Drug benefit pays a fixed dollar amount for each day an insured receives prescription drugs for treatment of an injury resulting from an accident. Benefit amounts may vary from \$50 to \$100 per insured per day. The maximum number of days covered may vary from 1 to 5 days per accident.

Lodging Benefit:

The Lodging benefit pays a fixed dollar amount for one motel/hotel room for a companion to accompany an insured who is confined in a hospital as the result of an injury. The treatment must occur more than a specified distance from the insured's primary residence. Benefit amounts may vary from \$50 to \$10,000 per day and may be payable from 1 to 30 days per accident.

Transportation Benefit:

The Transportation benefit pays a fixed dollar amount for transportation to a hospital or specialty free-standing treatment center for treatment due to an injury. A physician must prescribe the treatment and the same treatment or care must be such that it cannot be obtained locally. Benefit amounts may vary from \$25 to \$1,000 and may be payable from 1 to 6 times per accident.

Prosthetic Device Benefit:

The Prosthetic Device benefit pays a fixed dollar amount when an insured receives one or more prosthetic devices or artificial limbs when the insured loses a hand, foot or sight of one eye as the result of an injury. Benefit amounts may vary from \$100 to \$5,000 per insured.

Family Child Care Benefit:

The Family Child Care benefit pays a fixed dollar amount if an insured is confined in a hospital as the result of an injury and has dependent children attending a child care center during that confinement. Benefit amounts may vary from \$10 to \$100 and may be payable from 5 to 60 days per accident.

Residence/Vehicle Modification Benefit:

The Residence/Vehicle Modification benefit pays eligible expenses, subject to the maximum benefit amount per accident, when the insured incurs expenses for permanent structural modification of the insured's primary residence or vehicle required due to physical or functional limitations resulting from an injury.

Accident Lump Sum Benefit Rider:

Accident Lump Sum Benefit:

The Accident Lump Sum benefit pays a fixed dollar amount or a percent of the maximum benefit amount based on the type of facility where an insured receives treatment for an injury. Benefit amounts may vary from \$300 to \$20,000 per insured and may be payable for 1 to 6 accidents per year.

Accident Lump Sum Select Benefit Rider:

Accident Lump Sum Select Benefit:

The Accident Lump Sum Select benefit pays eligible expenses, subject to the maximum benefit amount per accident, if an insured receives care for an injury resulting directly from an accident. The maximum number of accidents covered may vary from 1 to 6 accidents per year.

Accidental Death and Dismemberment Benefit Rider:

Accidental Death and Dismemberment Benefit:

The Accidental Death and Dismemberment benefit pays a fixed dollar amount to a covered insured for an occurrence of the following coverages. Benefit amounts may vary from \$100 to \$5,000,000 and or may be a percentage of the principal sum.

Coverage Type
Brain Death
Coma
Hemiplegia
Loss of All Four Fingers of the Same Hand
Loss of All the Toes of the Same Foot
Loss of Both Hands or Both Feet
Loss of Hearing in Both Ears
Loss of Hearing in One Ear
Loss of Life
Loss of One Arm or One Leg
Loss of One Finger or One Toe
Loss of One Hand or Foot
Loss of One Hand or Foot AND Sight in One Eye
Loss of Sight in One Eye
Loss of Sight of Both Eyes
Loss of Speech
Loss of Speech and Hearing (in Both Ears)
Loss of Thumb
Loss of Thumb and Index Finger of the Same Hand
Loss of Two Fingers or Toes (any combination)
Loss of Use of Both Hands or Both Feet
Loss of Use of One Hand or Foot
Paraplegia
Quadriplegia
Severance and Reattachment of One Hand or Foot

Coverage Type
Uniplegia

Common Carrier Benefit:

The Common Carrier benefit pays a fixed dollar amount if the covered person suffers a covered loss for which an Accidental Death and Dismemberment benefit is payable, that results from an accident that occurs while riding as a fare-paying passenger in a common carrier. Benefit amounts may vary from \$10 to \$100 and may be payable from 5 to 60 days per accident.

Seatbelt/Helmet Benefit:

The Seatbelt/Helmet benefit pays a fixed dollar amount if a covered person dies due to a covered accident in an automobile or motorcycle in which the covered person was wearing a seat belt in an automobile, or the covered person was wearing a helmet on a motorcycle. Benefit amounts may vary from \$100 to \$5,000,000 or may be 10% to 250% of the principal sum. Verification of proper use of the seatbelt/helmet at the time of the accident must be a part of an official police report of the accident or be certified, in writing, by the investigating officers and submitted with the claim. If such certification or police report is not available or it is unclear whether the Insured was wearing a seatbelt/helmet, a default benefit will be paid which may vary from \$10 to \$500,000.

Transportation of Remains Benefit:

The Transportation of Remains benefit pays a fixed dollar amount for transportation of an insured's remains to a mortuary near the insured's primary residence. Benefit amounts may vary from \$250 to \$2,500.

Career Enrichment Benefit:

The Career Enrichment benefit pays a fixed dollar amount for a surviving spouse or domestic partner to receive training for the purpose of obtaining an independent source of income or enriching the survivor's ability to earn a living. Benefit amounts may vary from \$250 to \$2,500. If the insured is not survived by a spouse or domestic partner, a default benefit of \$50 to \$500 may be payable.

Licensed Day Care Benefit:

The Licensed Day Care benefit pays a fixed dollar amount for surviving dependent children from newborn to 12 years old to attend a licensed child care center. Day care must be

necessary for the surviving spouse or domestic partner to work or obtain training for work. Benefit amounts may vary from \$250 to \$2,500. If the insured is not survived by a spouse or domestic partner, a default benefit of \$25 to \$250 may be payable.

Surviving Child Educational Benefit:

The Surviving Child Educational benefit pays a fixed dollar amount for surviving dependent children from age 17 through 21 who are enrolled as full-time students at an accredited college, university or 2-year college, vocational or trade school within 365 days of the insured's accidental death. Benefit amounts may vary from \$500 to \$5,000. If the insured is not survived by any eligible dependent children, a default benefit of \$50 to \$500 may be payable.

Continuation of Coverage Rider:

The Continuation of Coverage rider allows a covered person to continue his/her current coverage after coverage under the Policy ends. The length of time that coverage is extended may vary from 6 to 24 months.

Critical Illness Benefit Rider:

Critical Illness Benefit:

The Covered Critical Illness benefit pays a percent of the benefit amount if an insured is diagnosed with one of the following covered critical illnesses.

Covered Critical Illness
Coma
Heart Attack
Invasive Cancer
Loss of Sight
Major Organ Transplant
Paralysis
Renal Failure
Severe Burns
Stroke

Additional Occurrence Benefit:

The Additional Occurrence benefit pays 10% to 25% of the critical illness benefit amount if an Insured is diagnosed with a different Critical Illness for which benefits have not previously been paid.

Outpatient Cancer Treatment Benefit Rider:

Outpatient Cancer Treatment Benefit:

The Outpatient Cancer Treatment benefit pays a fixed dollar amount if an insured incurs charges for chemotherapy, radiation therapy or immunotherapy for the treatment of cancer. Benefit amounts may vary from \$100 to \$1,000 per insured per day and may be payable for 1 to 10 days per year.

Total Disability Benefit Rider:

Total Disability Benefit:

The Total Disability benefit pays a fixed dollar amount if an insured becomes totally disabled while coverage is in force. Benefits may be payable for 3 to 12 months. The number of days after benefits begin may be 0, 7 or 14 days depending on whether the disability is due to injury or sickness.

3. Renewability

This policy is optionally renewable.

4. Marketing and Underwriting Method

This policy will be marketed to employer groups, unions, associations and other eligible groups in accordance with your state guidelines by either salaried sales representatives or selected independent brokers. This product will be underwritten at the group level with consideration given to the number of eligible employees and group census data.

5. Rate Development

The manual rate expected claims costs for this policy were developed from a variety of publicly available and proprietary census, morbidity and accident data which include the following:

- U.S. Census Bureau, Statistical Abstract of the United States
- Centers for Disease Control: www.cdc.gov
- Bureau of Labor Statistics: www.bls.gov
- U.S. Department of Labor: www.dol.gov
- National Safety Council Injury Facts: 2015 Edition

- U.S. National Library of Medicine: www.ncbi.nlm.nih.gov/pubmed
- Healthcare Cost and Utilization Project: hcupnet.ahrq.gov
- American Speech-Language-Hearing Association: www.asha.org
- National Hospital Discharge Survey: 2010 Annual Summary with Detailed Diagnosis and Procedure Data
- National Hospital Ambulatory Medical Care Survey: 2015 Emergency Department Summary
- National Hospital Ambulatory Medical Care Survey: 2010 Outpatient Department Summary
- Federal Register – CMS Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Federal Fiscal Year 2015
- MedPac Report to the Congress: Medicare Payment Policy March 2011
- American Cancer Society: www.cancer.org
- National Cancer Institute: Surveillance, Epidemiology, and End Results Program: www.seer.cancer.gov
- American Heart Association Journals: www.ahajournals.org
- U.S Department of Health and Human Services Organ Procurement and Transplantation Network
- Milliman 2011 U.S Organ and Tissue Transplant Cost Estimates and Discussion Report
- John Hopkins Medicine Neurology and Neurosurgery: www.hopkinsmedicine.org
- United States Renal Data System: www.usrds.org
- National Stroke Association: www.stroke.org
- American Burn Association, National Burn Repository: 2012 Report
- 2012 SOA IDEC Disability Claim Incidence and Termination Tables
- MarketScan Commercial Claims and Encounters distribution provided by Health and Human Services in the Minimum Value Calculator
- Proprietary group Disability Claim Incidence and Termination Tables
- Proprietary group medical claims data
- Publicly available group rate filings

Adjustments to publicly available data were made to account for differences between the publicly available data and an insured population and for the common exclusions of the policy.

Gross premium rates are based upon the manual rate expected claims costs and group experience, if credible, that are adjusted for benefit options and case characteristics and then loaded with provisions for expenses, commissions, and profit.

Large groups that provide prior experience will have their experience considered in the development of their premium rate. Smaller groups will have their premiums based upon the rate manual.

6. Issue Age Range

Coverage will be issued to ages 18 through 99.

7. Persistency

Persistency was not used in the pricing of this product.

8. Interest Rate

Interest rate assumptions are not applicable to the pricing of this product.

9. Domicile State Status

The filing has been submitted to the domicile state of Connecticut and is currently under review.

10. Average Annual Premium

The average annual premium is expected to be approximately \$527 for District of Columbia business.

11. Trend Assumption

This is an indemnity product. Trend assumptions are not applicable to the pricing of this product.

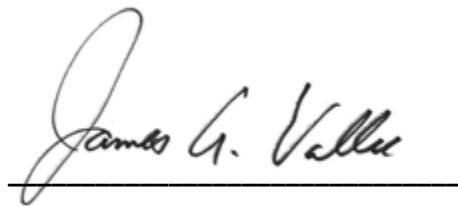
12. Anticipated Loss Ratio

The rates filed in the accompanying rate manual are anticipated to develop a loss ratio of 55.0% based upon our expected distribution of business. Outlined below are the expense components as a percentage of premium, corresponding with the anticipated loss ratio referenced above.

Loss Ratio:	55.0%
Commissions:	15.0%
Expense and Premium Taxes:	17.5%
Profit and Contingency Margin:	<u>12.5%</u>
Total	100.0%

13. Actuarial Certification

I, James A. Vallee, am a Director & Senior Consulting Actuary for Perr&Knight. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. In my opinion, rates for the product described in this actuarial memorandum have been developed using reasonable actuarial assumptions and methods and are not excessive, inadequate or unfairly discriminatory. I believe the premiums to be reasonable in relation to the benefits. I certify that, to the best of my knowledge and judgment, the entire rate filing is in compliance with the applicable laws of the state and with the rules of the Department of Insurance, and complies with Actuarial Standard of Practice No. 8, "Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits", as adopted by the Actuarial Standards Board, March, 2014.

A handwritten signature in black ink, reading "James A. Vallee", is positioned above a horizontal line.

James A. Vallee, FSA, MAAA
Director & Senior Consulting Actuary
Perr&Knight

February 10, 2020

Date